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SUBJECT: PRELIMINARY REACTION TO PROPOSED MERGER OF CA AND TORY  
PARTIES: TALK OF A CREDIBLE OPPOSITION FORCE AND A PROVINCIAL  
PREMIER

1. News of the proposed merger of the Canadian Alliance and Progressive Conservative Parties is getting mixed reaction throughout Canada's four Atlantic Provinces. Most local representatives of the two parties appear optimistic that the tentative merger will actually work and will result in a new party capable of acting as an effective opposition to the governing Liberals. Nonetheless, the predictions are that this merger process will be a long one and would not be finished in time before the next federal election. Premier Lord's deputy communications director, Robert Batherson, told CG, visiting PAO and Montreal BPAO that he was optimistic about the new party on the federal level, but did not expect it to have an effect on Liberal dominance of federal politics. From a provincial standpoint, he said, there would be little impact on Nova Scotia and other provinces. In addition to the time factor, regional pundits are also emphasizing that the new party will have to find a way to deal with certain CA policies which have been a tough sell here in Atlantic Canada. Chief among these are the party's goal of seeing reduced federal spending for such programs as regional development, so critical to economically disadvantaged areas like Atlantic Canada.

2. Also on the minds of Atlantic Canadians is the question of Bernard Lord, the current Tory premier of New Brunswick. This time last year, the Quebec-born and bilingual Lord was under intense pressure to seek the leadership of the federal Tory party. Lord declined the invitation principally because he had a provincial election to fight the next year. Lord did in fact go to the polls in a June re-election bid, but barely held on to power. With the leadership question re-emerging, the two schools of thought are that Premier Lord will want to bail out of his minority government situation and move to the federal stage; the other, that he will be under just as much pressure at home not to abandon his Tory party to face certain death at the hands of a highly spirited opposition.

3. Comment: As this is just day two in the new CA-PC merger plans, most observers are asking for more time to study all the angles before coming up with a full analysis of the new look party and what it means for Atlantic Canada. For now though the mood seems to be generally a cautious optimism that should the new party get its house in order, the country may see a formidable opposition to the governing Liberals. END COMMENT

HILL